

## Message Text

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PAGE 01 STATE 189030  
ORIGIN EB-08

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 COME-00  
FRB-03 INR-10 NSAE-00 ICA-11 TRSE-00 XMB-02  
OPIC-03 SP-02 LAB-04 SIL-01 OMB-01 L-03 H-01  
PA-01 SIG-03 /071 R

DRAFTED BY EB/IFD/OMA:BGCROWE:JVM

APPROVED BY EB/IFD/OMA:MEELY

EUR/SE:EMARCOTT

TREASURY:RBLAKE

FEDERAL RESERVE:SFARRER

-----077369 262254Z /13

P R 262141Z JUL 78

FM SECSTATE WASHDC

TO AMEMBASSY ANKARA PRIORITY

INFO AMEMBASSY ATHENS

AMEMBASSY PARIS

AMEMBASSY THE HAGUE

AMCONSUL ISTANBUL

AMEMBASSY LONDON

AMEMBASSY BERN

C O N F I D E N T I A L STATE 189030

E.O. 11652: GDS

TAGS: EFIN, TU

SUBJECT: USG GUARANTY OF BIS LOAN

REFS: (A) ANKARA 4887 (NOTAL); (B) ANKARA 4633 (NOTAL)

1. WE NOTE THAT GOT HAS NOT FOLLOWED UP INFORMAL REQUEST (REF. B). THE FOLLOWING IS PROVIDED FOR YOUR INFORMATION. YOU SHOULD NOT RAISE ISSUE WITH GOT. IF ISSUE SHOULD BE RAISED BY GOT IN INFORMAL CONTACTS, YOU

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SHOULD DISCOURAGE ANY IDEA THAT USG COULD GUARANTEE BIS LOAN.

2. WE APPRECIATE SERIOUSNESS OF TURKEY'S BALANCE OF PAYMENTS SITUATION WHICH LED TO EMBASSY RECOMMENDATION THAT USG CONSIDER PARTICIPATING IN GUARANTEE OF 500 MILLION DOLLARS BIS LOAN. WE HAVE CAREFULLY REVIEWED

THIS ISSUE AND HAVE CONCLUDED THAT IT WOULD NOT REPEAT NOT BE POSSIBLE FOR THE USG TO PARTICIPATE IN SUCH A GUARANTEE.  
(FYI: (A) THERE IS NO PRECEDENT FOR SUCH A USG GUARANTEE; (B) MOREOVER THE FEDERAL RESERVE HAS NO AUTHORITY TO EXTEND SUCH A GUARANTEE; AND (C) THE US TREASURY CANNOT UNDERTAKE SUCH A GUARANTEE BECAUSE OF LIMITATIONS ON RESOURCES AND LEGISLATIVE AND POLICY CONSTRAINTS. END FYI.)

3. THE STATISTICS PROVIDED IN REFTEL ARE, AS EMBASSY SUGGESTS, DISQUIETING. WE NOTE, IN PARTICULAR, THE EXPORT PROJECTIONS OF 2.0 BILLION DOLLARS COMPARED TO GOT EXPECTATIONS OF BETWEEN 2.4 AND 2.5 BILLION DOLLARS IN 1978. ALSO THE ESTIMATE FOR WORKERS' REMITTANCES IS THE LOWEST FIGURE WE HAVE SEEN TO DATE. IN THE LIGHT OF THE TWO RECENT LIRA DEVALUATIONS, WE WOULD BE INTERESTED IN THE EMBASSY'S ASSESSMENT OF THE FACTORS/ POLICIES IMPINGING ON PERFORMANCE OF THE MAJOR EXPORT ITEMS AS WELL AS ANY INFORMATION YOU HAVE REGARDING SLOWED TURKISH REMITTANCES FOR 1978. CHRISTOPHER

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NNN

## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC GROWTH, INDUSTRIAL DEVELOPMENT, LOANS, CREDIT GUARANTEES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 26 jul 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978STATE189030  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** BGCRWEE:JVM  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780307-0211  
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**Line Count:** 81  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
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**Message ID:** 82ed576c-c288-dd11-92da-001cc4696bcc  
**Office:** ORIGIN EB  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** 78 ANKARA 4887, 78 ANKARA 4633  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 13 jun 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 1876499  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** USG GUARANTY OF BIS LOAN  
**TAGS:** EFIN, TU  
**To:** ANKARA  
**Type:** TE  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
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20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014